

Congress of the United States
House of Representatives
Washington, DC 20515

April 20, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate

Dear Speaker Pelosi, Republican Leader McCarthy, Majority Leader McConnell, and Democratic Leader Schumer:

Thank you for your leadership as we continue working to mitigate the economic fallout resulting from this unprecedented public health crisis. As you craft the next COVID-19 legislative response package, I urge you to address some of the significant shortcomings of the Paycheck Protection Program (PPP), which are preventing thousands of small businesses across the country from accessing critically needed relief. While it is urgent that we replenish funding to the program as quickly as possible, it is equally imperative that we ensure that future loans are available to the small businesses that need them the most.

Congress established the PPP as part of the bipartisan Coronavirus Aid, Relief, and Economic Security (CARES) Act to aid small businesses in weathering this crisis and retaining their workforce. While this innovative program has successfully extended a lifeline to over a million businesses across the country, countless more have been left behind. And unfortunately, it is the smallest and most disadvantaged businesses that have been hurt the most.

By not ensuring that this \$349 billion in relief funding would be available to the small businesses and workers we intended to help most, we—as Members of Congress—fell short of our duty to be responsible stewards of taxpayer’s hard-earned dollars. Accordingly, I submit the following recommendations to improve this program.

Set aside funding specifically for the smallest businesses: While this global health crisis does not discriminate between large and small businesses, it is undoubtedly the smallest enterprises, and their employees, that are hurt the most. That is why I was troubled to learn that of the \$349 billion allocated for the PPP, only 17% of approved funding went to businesses requesting loans of less than \$150 thousand. To fix this issue, Congress must designate significant portions of funding to be available only to businesses of less than 50, 150, and 250 employees. In addition, specific funding should be dedicated for community-based financial institutions to ensure that businesses in rural communities have equitable access to the relief they need to survive.

Increase congressional oversight of the program: While small businesses in every state are suffering, it is unacceptable that Congress does not have greater insight into how financial institutions are distributing loans. To ensure relief funds are being distributed in a manner consistent with congressional intent, we need to require detailed reporting—broken down by number of employees, income, and demographics—on the number of loan applications filed under the program, the number of loans approved, and the number of loans denied.

Increase transparency for small business owners: Finally, we need to make sure that small business owners have the peace of mind of knowing their loan application is being handled impartially and expeditiously. The timing and approval for federally-secured loans should not be left to the discretion of the banks, when they see virtually no risk. Financial institutions providing these loans must be required to accept applications from all eligible businesses, not just existing customers; allow applicants to track the progress of their application, without prioritizing certain applications over others; require the same documentation for every applicant; and have no minimal loan amount.

I appreciate your consideration of these requests. And look forward to continuing to work with you to ensure small businesses in the Lowcountry, and across the country, can overcome this crisis.

Sincerely,

A handwritten signature in blue ink that reads "Joe Cunningham". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joe Cunningham
Member of Congress